

PLANNING COMMISSION

SUSAN F. SHICK
EXECUTIVE DIRECTOR

SEE BELOW

MAY 22, 2002

SUBJECT: REPORT AND RECOMMENDATION ON THE ADOPTION
OF THE PROPOSED FIFTEENTH AMENDED CENTURY
CENTER REDEVELOPMENT PLAN

RECOMMENDATION

It is recommended that the Planning Commission:

- 1) Find that the proposed Fifteenth Amended Century Center Redevelopment Plan conforms to the San Jose 2020 General Plan; and
- 2) Recommend approval of the proposed Fifteenth Amended Century Center Redevelopment Plan.

BACKGROUND

The Century Center Redevelopment Plan was adopted on November 8, 1993. Since its adoption, the Redevelopment Plan has been amended to merge with other redevelopment projects, to extend financial limits, to add public improvements, and to extend eminent domain authority.

The purpose of the proposed Fifteenth Amended Century Center Redevelopment Plan (Amendment) is to add territory to the existing Century Center Redevelopment Project Area (Project Area) and to increase the bond debt limit of the Plan for the existing Project Area from \$30 million to \$60 million. The proposed Fifteenth Amended Century Center Redevelopment Plan is attached as Exhibit 1. The existing Project Area consists of three city blocks in the heart of Downtown San Jose bounded by Santa Clara Street to the north, Fourth Street to the east, San Fernando Street to the south and First Street to the west. The

proposed Project Area expansion (Added Area) is bounded by Julian Street to the north, Third Street to the east, Santa Clara Street to the south and Market Street to the west. A map of the existing Project Area and proposed Added Area is attached as Exhibit 2.

In June 2000, the Agency invited an Urban Land Institute (ULI) Panel to evaluate Downtown San Jose's retail and entertainment development potential and provide recommendations regarding the development and implementation of a retail strategy for Downtown San Jose. The ULI Panel proposed that the Agency and City pursue a strategy to develop a multi-parcel, Mixed-Use Project. The overall objective was to introduce a catalytic project that would be large enough to redefine and energize Downtown San Jose.

The findings of the ULI Panel are relevant today although at this time with different development team(s). To undertake a mixed-use project, several sites in the Downtown are involved. Three development sites are within the Original Project Area, one site is within the existing San Antonio Redevelopment Project Area and one site, the site along Santa Clara Street between Market and 1st Streets, is located within the Added Area. In addition, sites along Santa Clara between 2nd Street to 3rd Street are included. These sites need improvement to sustain downtown growth over time.

The properties within the Added Area are considered critical to the redevelopment of the Downtown Core area. Including these properties within the Added Area will assist the Agency in its efforts to cohesively master plan, acquire land, reduce land costs, build public facilities, implement infrastructure improvements and rehabilitate and develop underutilized properties. The Added Area will include a portion of the St. James Square Historic District, including St. James Park. This will allow the Agency to expend funds to improve the park over time.

On January 24, 2001 the Planning Commission approved the Preliminary Plan for the proposed Amendment and on January 30, 2002 the Redevelopment Agency Board approved the Preliminary Plan. The Preliminary Plan describes the boundaries of the proposed Added Area and provides a general overview of proposed redevelopment activities. An Environmental Impact Report (EIR) has been prepared and circulated for the proposed project, and will be considered by the Planning Commission with the proposed Amendment.

The redevelopment plan for the Original Area includes the authority to collect tax increment and issue bonds to be repaid from tax increment revenues. The redevelopment plan for the Original Area includes a \$30 million bond debt limit. As part of the proposed Amended Plan, the Agency is proposing to increase the

bond debt for the Original Area from \$30 million to \$60 million. The increase in the bond debt limit is necessary to fully bond against anticipated future tax increment revenues from the Original Area that will result in part from the implementation of a mixed-use project in the Original Area.

In addition to the proposed Amendment and EIR, the City Council will consider merging the proposed Added Area into the San Jose Merged Area Redevelopment Project. Planning Commission review is not required for the merger action.

ANALYSIS

California Redevelopment Law Sections 33346 and 33347, require the submission of a proposed redevelopment plan amendment to the Planning Commission for its recommendation regarding the redevelopment plan amendment's conformance with the San Jose 2020 General Plan. The Planning Commission's report is transmitted to the City Council prior to any consideration on the adoption of the plan amendment. The City Council/Redevelopment Agency Board is scheduled to conduct a public hearing to consider the proposed Amendment on June 11, 2002.

Environmental Impact Report

The EIR prepared for the Amendment adoption is a program EIR. In addition, this document addresses potential impacts at the project level for the Mixed-Use Project. The Amendment and Mixed Use Project are evaluated in the EIR as the "Project". The EIR analyzed the possible environmental impacts resulting from implementing the Project on the following:

- Land Use and Planning
- Transportation/Circulation
- Air Quality
- Noise
- Geology and Soils
- Hydrology and Water Quality
- Public Services, Utilities, and Energy Consumption
- Microclimate (wind and shade and shadow)
- Visual Resources
- Cultural Resources
- Hazardous Materials

Based on the Initial Study/ Notice of Preparation and comments received during the public review period of the NOP the following issues were determined not to be significantly affected by the Project and did not require further analysis in the EIR.

- Agricultural Resources
- Mineral Resources
- Biological Resources
- Population, Housing, and Employment

The EIR concluded that the following issues would have significant and unavoidable impacts. As specific development projects are considered under the EIR, Statements of Overriding Consideration may need to be considered by the City Council and adopted as part of project approval.

- Traffic & Circulation
- Air Quality
- Historic Resources

PUBLIC OUTREACH

Redevelopment Agency staff held a community information meeting on August 23, 2001 to provide information to the property owners, business owners and residents in the Project Area and proposed Added Area on the proposed Amendment.

COORDINATION

The proposed Fifteenth Amended Century Center Redevelopment Plan has been coordinated with the Redevelopment Agency's General Counsel and the Department of Planning, Building and Code Enforcement.

CEQA

An EIR has been prepared and circulated for the proposed Amendment, and will be considered by the Planning Commission prior to the proposed Amendment.

SUSAN F. SHICK
Executive Director

Attachments:

Exhibit 1 – Draft Fifteenth Amended Century Center Redevelopment Plan
Exhibit 2 – Map of Existing Century Center Project Area and Proposed Added Area

